



Board of Directors Meeting Minutes

April 6, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building

200 E. 14th Ave.

Hearing Room A, 1st Floor

Denver, CO

I. Call to Order: 1:37 p.m. Chairman Cadman

A. Roll Call

Attendees: Arrowsmith, Rep. Cadman, Cooke, Dennis, Feingold, Marroney, Sen. May, Picanso, Williams, T.

Excused: Jenik, Sobanet, Wells

Quorum established.

Notes transcribed by Angie Onorofskie, Statewide Internet Portal Authority

B. Introduction of Audience

C. Approval of March 2, 2006 Meeting Minutes

MOTION: to approve the March 2, 2006 meeting minutes of the SIPA Board of Directors.

Dennis/Cooke

APPROVED UNANIMOUSLY

*Chairman Cadman announced that the meeting would be run in a different order than listed on the agenda.

II. New Business

A. SIPA Resolutions

1. Acceptance of Executive Director Resignation

Richard Westfall, SIPA legal counsel, publicly announced that Dr. Don Ravenscroft submitted his official resignation from the Authority. Legal counsel

requested that the Board vote on a resolution that accepts the resignation of Dr. Ravenscroft, thanking him for his service to the Authority during his tenure and authorizing three months of post-employment compensation.

MOTION: to accept the resignation of Dr. Ravenscroft, thanking him for his service to SIPA during his tenure and authorizing three months of post-employment compensation

Cooke/ Marroney

APPROVED UNANIMOUSLY

2. Executive Director Appointment

Richard Westfall, SIPA legal counsel, stated that SIPA was fortunate in light of the resignation that Gregg Rippy - who previously performed the role of Executive Director - has agreed to serve in the role again. Richard Westfall explained that he would like to submit a resolution for Gregg Rippy's interim hiring for one month and make it permanent after one month.

MOTION: to hire Gregg Rippy as interim executive director for one month and make his hiring permanent after one month.

Marroney/ Arrowsmith

APPROVED UNANIMOUSLY

3. New Voting Board Member

Chairman Cadman welcomed Senator May back as an official voting member of the SIPA Board of Directors, appointed by the Senate. Chairman Cadman also welcomed back Gregg Rippy.

III. Special Presentation – E- recording

Jack Arrowsmith, SIPA Board member and Douglas County Public Trustee, thanked the Board for the opportunity to give a special presentation about e - recording and how to work with a number of counties on the process.

Jack Arrowsmith stated that the history of e - recording would be provided as well as the business concept. He would then like the Board to take action, which he would explain later in the presentation.

A. Project Background

Jack Arrowsmith introduced Carole Murray, Douglas County Clerk and Recorder. Carole Murray stated that she was glad to be here, and she explained that she would be presenting a proposal for the Board's consideration to enable e - recording throughout the state to travel through the portal.

a. Enabling Legislation

In 2002, House Bill 02-119 passed, providing Colorado county clerks the ability to accept electronic filing (e-filing) of documents. The bill also allowed the county clerks to charge a \$1.00 surcharge to help defray the cost of implementing e - recording. The dollar was added to each document "received for recording or filing in his or her office". In 2004, Senate Bill 04-219 amended House bill 02-1119. This bill stated that funds that were previously being transferred to the Colorado Treasury from the counties would be transferred to the Secretary of State. The Secretary of State was responsible for transferring these funds to Treasury.

b. E-Recording Advisory Panel

From each dollar collected, the county retained 50 cents, in order to defray the cost of implementing e - recording. The remaining 50 cents was to be resubmitted to the Colorado Treasury (later Secretary of State) for deposit into a fund maintained to help counties pay for the technology necessary to implement e - recording, when their funding was insufficient. The fund was to be dispersed to counties via a grant application and approval process, which was to be administered by the "Clerk and Recorder Electronic Filing Technology Fund Advisory Panel". The Secretary of State currently chairs the body.

c. PRIA/MISMO Standard Bodies

The e-recording program is closely associated with the Property Records Industry Association (PRIA) and the Mortgage Industry Standards Maintenance Organization (MISMO). The key to success of the program is volume, which is achieved through standards.

B. Current Status

Boulder and Douglas Counties were the first Colorado counties to utilize e - recording. E - recording volume is gaining one percent each month, and e - recording is up to 5 to 6 percent of total recording volume. This represents thirteen submitters in the county. Carole Murray explained that it is a big deal for a submitter to change back end systems, and government is leading the private sector. There are approximately 14 counties currently e - recording, and 43 counties are in the preparation stage.

The goal was to get this all set before the election season because volume should increase after June due to elections.

Colorado is seven counties short of all 64 counties thinking about e - recording. Some of the counties are very small, and some might eventually come on board. Even if those counties do not come on board, Carole Murray stated that she is still very pleased with the number of Colorado counties are involved in e-recording

C. Next Level

a. Need for Standardization

Carole Murray stated that the portal would be beneficial in helping the process as well as funneling the standards and creating a single voice.

b. Benefits of One-Stop Shopping

Carole Murray added that the benefits of one-stop shopping are very obvious.

D. Denver County

Wayne Vaiden, Denver Clerk and Recorder and Public Trustee, was introduced to discuss the benefits of e - recording to Denver. Wayne Vaiden explained that initially he didn't have enough FTE's so he wanted to create efficiencies in his office, especially since Denver is set up differently from different counties and he was serving in so many different roles.

Mr. Vaiden went on to explain that he started looking at the three levels of customer service including, citizen, industry, and agency. First of all, he tried to make the Internet access a little bit more efficient, as Denver was getting 10,000 hits with the different areas online. He explained that the more efficient the Internet is, the more citizens will use it. Furthermore, industries are starving for greater regulatory efficiencies and standards. When the information is standardized, it will be passed through the agencies to the public much more accurately.

Wayne Vaiden stated that half of the phone calls received are for old documents, documents to be verified, or documents to be certified. By utilizing the portal for e - recording, people could retrieve these requests securely from their own homes. Additionally, foreclosures would save a great deal of time and money.

Wayne Vaiden added that elections could become more efficient as well if people could go to the site to determine specific information about polling locations. The problem with elections currently is that the media in Denver makes the center of the news. Therefore, people call the Denver Elections Commission for

information simply because they get the most exposure. A centralized location to retrieve that information would be great for the state.

Wayne Vaiden added that security is a huge concern for everyone. If there was one site that counties could go to, they would know the rules for security. He provided an example that one citizen didn't know that her record was online. After learning that her record was online, she asked whom to talk to in order to find out whether or not her information was secure. This provides a great way to standardize security.

E. Current E-Recording Environment

John Thomas of Colorado Interactive was introduced to present the current process, the envisioned process, and the funding and participation in the program.

a. Overview

John Thomas explained that his intent was to give a 50,000-foot view of the environment. He explained that there are multiple types of submitters (title companies, banks, individuals). Currently, the environment is set up so that submitters have to go to the specific county with which they do business. The envisioned concept is to create a one-stop shop or funnel so that the submitter only has to submit to one place. For example, Submitter A, submits to the Colorado.gov portal and reaches any number of counties. Once approved, the counties can push it back through the portal without having to chase down the submitters. The funnel works both ways. *Please see appendix A for more detail.

b. Benefits of E-Recording through the Portal

Benefits to Counties:

- Single stream of electronic document traffic
- Error handling is removed from the county workload
- All documents received are in validated format prior to receipt
- More efficient transfer of funds
- Single source for tracking
- Increase in volume of e-recorded documents
- Becomes an incentive for counties to e-record

Benefits to Public:

- One submission point
- Only receive recorded documents from one provider rather than 64
- Helps set document submissions standards (i.e. formatting, process)
- Provides a mechanism to submit documents at the same or lower cost than the paper world
- More efficient transfer of funds

Benefits to State:

- The same mechanism could be used to route documents to state departments.

c. Funding for e-recording project and maintenance

Until further legislation is passed, counties will continue to retain 50 cents, and 50 cents will continue to go to the state fund. Currently counties can keep the entire dollar, and the original fund is depleting rapidly.

The initial proposal is that the portal would talk to the counties that participate, and the original legislation would help promote e-recording to help offset the cost of the service. The size of project would not come close to paying for itself.

d. After future legislation

All counties submit 50 cents from every submitted record to the grant fund. The proposal is that SIPA could sponsor a committee, which is currently sponsored by the Secretary of State. The Secretary of State has a good working model, but it has been removed from the office. If SIPA could do this, it removes TABOR restrictions because it isn't going to a state department, and it would give the committee the opportunity to grant the funds. Colorado Interactive would get a percentage of the 50 cents to build and maintain the system. If the legislation passes, 50 cents would be added to all documents, not just e-recorded documents. The remainder of the 50 cents would go into fund that would help other counties get up to speed on E-Recording. The current legislation extends the dollar for five years.

e. Participants

Denver and Douglas Counties are committed participants in the program upon project approval by SIPA. The participation of El Paso and Jefferson Counties is pending involvement of other counties. This is 43 percent of the overall county submission.

Discussion:

Senator May stated that the problem is not with the government entities having the equipment; the problem is the people who submit the documents. The setup is at least 20,000 dollars. Senator May recommended looking at the private side as well as the government side. It may not be possible to grow the program very easily. Senator May suggested doing a cost /benefit analysis. He added that money shouldn't be invested until a revenue stream is guaranteed. Senator May added that he was involved in setting up e-recording, and it takes a pretty good-sized outfit to make this type of investment.

John Thomas stated that new technologies are coming out that are much more simple, which do not require as large of an investment.

Jack Arrowsmith stated that good questions are being raised. He stated that this obviously could not be the only source, as some companies will never go to this. Jack Arrowsmith added that only about ten national banks are submitting to public trustees (about half have done this because it is a good return of investment) through the e-recording. Jack Arrowsmith stated that the state of Missouri is about three weeks into the process. They had the same question of whether or not submitters would come on board. The title companies came on because it would only require a single application to get on board. One single investment is not as daunting.

Senator May stated that there are 100 legislators across the street that will come up with different bills. For example, one required that a document be stamped by a certain time.

Carole Murray stated that what Senator May was referring to is a bill that requires a document to be stamped and submitted within three days if it was received by one o'clock.

Michael Cooke stated that it was Senate Bill 163.

Carole Murray added that if it has a reception number, it is considered recorded. That is the first act.

Senator May stated that some counties may just say that's when they got it.

Bob Feingold stated that he was sensing that by making a presentation on e- recording, it is more than for information only. He went on to say that the Board is being asked to make a decision on this. However, in looking at the business case, Bob Feingold stated that he doesn't see the cost of implementation, cost of maintenance, income stream, etc. Bob Feingold stated that it's difficult to look at it from an operational sense and come up with a decision.

Jack Arrowsmith stated that the presentation today is a business case not a business plan. If the Board believes a case can be made to utilize the program, then perhaps it should be assigned to the Business Committee to come up with a business plan. This is not a case where we are only dealing with Douglas, Denver, etc. This program would be for all 64 counties in the state, and he Jack Arrowsmith stated that he feels it is important for the Board to be a part of this.

Gerald Marroney stated that he went through this with the e- filing for the court. He added that some people went ballistic with the process, and now some people would go ballistic if it was taken away. The process saves a lot of time, assigns numbers, etc. The concept is a little bit broader than this group, and therefore Gerald Marroney stated that the Board just needs to look at it and think about it beyond e- recording. This would apply to all of the funding mechanisms and transferability. Gerald Marroney stated that it is a great concept. However, he agrees with Senator May and Bob Feingold that there is a lot of training time involved. We need to know who the banks are, who the submitters are, and think about the public. This has been a difficult part for Judicial, and they had to have the attorneys handle it. Those will be thought through, but the general concept is great. It saves citizens and agencies a lot of time, and it makes it possible

to find things instantaneously. It is certainly worth a real close look with the Business Committee, as it needs to be flushed out a little bit more.

John Picanso stated that he supports Gerald Marroney's comments. He added that Wayne Vaiden (City and County of Denver) quickly alluded to the security piece of the project. The Board would have to get intimate with the security model. John Picanso asked Colorado Interactive if they were confident that it could withstand with this mode. If not, he would encourage the Board to look at a security plan.

John Thomas (Colorado Interactive) stated that it has been brought to the attention of the developer, and he believes that the model can withstand this. When it is known that the Business Committee has granted it, then the developer can invest more time into the model.

Senator May stated that maybe the cart is before the horse. He stated that the Board has a General Manager's Report, and this project isn't even on the list. He asked how we prioritize projects. Senator May stated that he feels like we are chasing butterflies when there are other things that we should be looking at.

Tambor Williams added that one thing to really consider is the funding piece. If the bill passes, this would allow recorders to use the funding, but what happens if the funding goes away. If you want a permanent FTE to maintain the program, we would need to look closely at this. A one-dollar surcharge that makes sense in 2006 may not make sense later down the road. It is in flux now. Tambor Williams stated that she would like to see alternative plans on what we would do in the event of one or the other.

Gerald Marroney stated that at some point, he would ask the executive director where we are with security of the portal in general. He added that security could hold up a lot of things if it isn't adequate.

ACTION ITEM: Portal security to be presented at the May meeting.

Gerald Marroney went on to say that citizens need to know that this is secure, including payment. He would also agree with Senator May that this is a big piece on how the legislation would be done.

John Thomas stated that he agreed with the concern. He added that one reason e-recording was presenting today is that CI isn't investing major resources yet. It's on the list, but it's at the very end. Jack Arrowsmith has given CI a hopeful deadline, but nothing is final. John Thomas stated that they wanted the Board to be comfortable with the possibility of the project and know that it is out there. He added that due to the size of the project, if it were brought to the Board too late it wouldn't work.

Gerald Marroney stated that he didn't want to give the wrong idea. He agreed that this is a great way to get out into the counties. It's good mechanism, and we have good contacts. This is ideal for the portal as long as the committee supports it.

Jack Arrowsmith stated that these are almost two simultaneous projects. One project is that there are two counties (Denver and Douglas) ready to move forward with their own project and pricing structure, and we don't want to stop those negotiations and process. Those counties are courageous to do this, and part of the success will be when other counties look to counties that are already participating. The second project is to bring all of this together in the business plan. Jack Arrowsmith stated that he was asking the Board to grant that these counties (Denver and Douglas) move forward, while the Board looks at this, including legislation, as an overall project.

John Thomas added that a major contingency is that the future legislation would have to pass in order to make it work. He added that he recognizes that there is a job to do, but we also want to work with the counties and make it a viable part of the portal. This has been very beneficial for the relationships with the counties. John Thomas added that he joined Jack Arrowsmith at the PRIA Conference in Washington, DC, and he had the opportunity to learn a lot about e - Recording as well as meet several people from counties all around Colorado. He added that he sees this project as a venue to get counties on board.

Gregg Rippey stated that he was so happy to be back today, especially on an issue like this. He stated that Senator May brings up a good issue. This type of project is what we envisioned when creating the Authority. If it makes sense for the counties and the process, it can be done without legislation. What we have learned in a few years is that there were counties that were very behind, and they almost reached the point where counties said they would not fund a transaction. The situation is much better today than it was two years ago. Gregg Rippey went on to say that as we talk about the business process and what the Authority can provide, we don't want to go one step further until we talk to the business community. However, we can't talk to the business community until we determine what we can even offer. He stated that there is value- add in the service, and it is such a business incentive that he would guess that the business community would be willing to pay more than a dollar. Gregg Rippey stated that his next step is to go out and start marketing it to the submitters because just thinking we have a great idea is meaningless unless there is buy- in. If we can show value- add, it will be a star for the whole community.

Senator May stated that House Bill 1157 is funded by federal dollars the first year, and it is funded by 2.5 million dollars of general funds the second year. The bill requires every entity to build a cyber security plan. The Chief Information Security Officer (CISO), Mark Weatherford, is not here today, but he was in the Navy, and he has a lot of federal background. Therefore, most of it will be centered around the way the federal government has handled security. It's not part of SIPA, but it is a part of the departments. There will be problems if the timelines are met. Senator May asked what we do since counties are not part of the bill.

John Thomas stated that Colorado Interactive has developed a relationship with Mark Weatherford, and they are working closely with him

Senator May added that trying to get judicial districts, higher education, and the 23 state agencies under the cyber security rules will be like herding cats. It will not happen overnight.

Michael Cooke stated that e -recording is a great project, and she stated that she appreciated the presentation. Earlier in the meeting there was a suggestion to refer the project to the Business Committee for review. Michael Cooke stated that she thinks it is appropriate for the project plan, funding, priority, etc. to be reviewed by the Business committee. She added that part of the process would be to work with CI to see where this project fits into the matrix of priorities. Jack Arrowsmith mentioned that there are two phases. One phase is to have the counties move forward while the Business Committee works on the business plan for the overall project. Michael Cooke stated that she doesn't think those can be separated. Instead, she stated that she thought the Business Committee needed to move quickly. It is not valuable if all counties can't somehow get involved. She added that she didn't believe that we should only move forward with a couple of counties, and the remainder may never get to be part of it. Michael Cooke suggested that the Business Committee could move quickly to answer all of the questions and get something back to the rest of the Board.

Bob Feingold stated that this is a very important project. This is what SIPA was enacted for and what the Board is to help create. He stated that he is very supportive of the exciting project. He added that we have a process of prioritization, which helps to rack and stack how CI can do this. He added that he is delighted to participate in the process.

Carole Murray, Douglas County Clerk and Recorder, stated that she had some comments on earlier discussions. She stated that the backend is really not that costly. Minimally, all that is needed on the backend is a scanner and access to the Internet. In fact, she stated that smaller title companies are first out of the box, which is why volume is not that great currently. Carole Murray stated that this is great for rural Colorado (i.e. La Plata county) because it makes it very easy for the submitters to get to those rural counties. It is the IBMs of the world that aren't joining in. IBM made the wrong decision because they couldn't make the decision. Bigger title companies are having a harder time because bigger offices mean bigger political problems. The smaller guys can be quick. Big guys nationally are also working. Carole Murray summed up that the big huge companies and little guys are the ones participating. She added that it's a very heart-warming process because you see the business community participate in different ways. About five years from now, the dollar won't be necessary. Right now 6 FTE worth of time is needed for this job. However, in five years it won't be necessary to hire additional people to handle paper. Carole Murray added that she would gladly pay the portal 50 cents to handle this. She also stated that it's not a question of whether this is going to happen, it's a matter of when it's going to happen.

Richard Westfall, SIPA legal counsel, stated that he took a look at the statute in preparation for an earlier meeting with Carole Murray, and there may not need to be legislation. Right now, there is the one-dollar e-filing fee that she is allowed to use that for a contract. This would be an EGE situation where a certain amount of the dollar would be given back to the portal for maintenance. Richard Westfall stated that he understood the one and two phases, and he stated that SIPA could do both. He stated that SIPA could focus on Denver and Douglas Counties now and use them as the vehicle to get to phase two. Richard Westfall added that he is working with Douglas County legal counsel to make the EGE work for counties. The Business Committee can work with Denver and Douglas Counties to help move this forward. He added that it's all there; we just need to push it forward and move it.

Gregg Rippey stated that he got the message clearly that we need a report on security. In a project such as this, we may even need to incorporate a third-party for security. He added that ID management and single login play a big part in that.

Jack Arrowsmith stated that he could certainly appreciate what Michael Cooke said. However, on behalf of Denver and Douglas Counties, the current dollar can be implemented to use for e-recording. It doesn't have a permanent shelf life. Jack Arrowsmith is encouraged that the Business Committee can move fast, but the counties need to move forward.

Gerald Marroney added that if we have the biggest counties ready, hopefully the Business Committee would take that into consideration. He stated that there is no way that we will get all of the counties to jump on board right away, but we want to make sure that we are not banking the model on the entire state. He stated that if we have some ready to go, let's go with them.

Michael Cooke stated that she is not suggesting that we have to have buy-in from all 64 counties right away. She clarified that her point was simply that there are a number of questions that need to be addressed, and she doesn't see how we can move forward without answering those questions.

Chairman Cadman thanked everyone for the presentation and discussion.

MOTION: to move the e-recording business plan to the Business Committee to finalize development of the plan, funding, and prioritization with a report to the full Board at the next meeting.

Cooke/ Feingold

APPROVED UNANIMOUSLY

IV. Committee Reports

A. Business Committee, Michael Cooke

Michael Cooke, Business Committee Chair, stated that the proposed PMO Policy is resting comfortably until the new executive director brings it forward again.

B. Contracts Committee, Richard Westfall

No report

C. Finance Committee, Henry Sobanet

No report.

Discussion:

Ron May asked several questions about the SIPA financial statement.

Gregg Rippy stated that the SIPA office would be working with the Finance Committee to more accurately reflect the state of current finances. Currently, we are doing cash accounting and backing it into accrual since there are no receivables.

D. Personnel Committee, Representative Cadman

Chairman Cadman stated that the CTO/CIO position is tabled for the interim as well as the other policies.

Gregg Rippy stated that he had not seen the policies. However, he has seen the job description for the CTO/CIO position. He believes about 90 percent of it is accurate and presents a need for someone to come in on those functions. Gregg Rippy stated that with the permission of the Board, he would like to redo the policies and move forward from there. Gregg Rippy also stated that he would like to work together with the committees and Bob Feingold on the policies. Gregg Rippy also added that the Board would receive the requested electronic documents.

Chairman Cadman again welcomed Gregg Rippy back.

V. New Business

A. SIPA Office Update

Angie Onorofskie reported that the EGE Agreements were coming along nicely. The agencies seemed to be very responsive and appreciative that both the State Controller and Attorney General had reviewed the agreement.

She also announced that the new SIPA Website was live. The new URL is: www.colroadogov/SIPA

B. Colorado Interactive Update, Rich Olsen

a. General Updates

Rich Olsen stated that before he began his report, he would like to address a couple of things mentioned in the meeting. He stated that security is the most important aspect of the portal. He added that Colorado Interactive is very confident about security, and they would love to present this to the Board. He added that CI has talked with Mark Weatherford and his contractors, and they are pleased with CI's model. Security Metrics scans all metrics, which is one of only five companies approved by VISA and MasterCard. The scan picked up on some things and fixed some things. It is very stable and secure.

Rich Olsen announced that NIC has selected to bring the annual conference to Denver. Rich Olsen reminded the Board that Representative Cadman and Don

Ravenscroft attended last year's conference in Chicago. There will be 17 other states and their portals coming to Denver. As soon as the dates are available, Rich Olsen would get them to the Board. He added that it would be really neat if Board members could come to the conference.

Rich Olsen also added that there is a new toll-free number and e-mail address for the helpdesk.

b. Services (Project Report)

Content Management

Rich Olsen stated that the Content Management System is a significant part of the portal. He added that there are 14 divisions or departments that want to use it as soon as it is available. The system is very complex, and FatWire has been in the office last month and will be here to configure templates. In the meantime, CI is setting up new Websites. The new Cyber Security Website follows the template. Rich Olsen mentioned that John Picanso was in the meeting CI had with OEDIT. Some good work has been done, and branding is consistent throughout. Rich Olsen added that the Board would be very pleased with the new templates.

E-Recording

Rich Olsen stated that a lot of time has been spent on the e-recording project, which was previously presented.

Colorado.gov Tab Migrations

Colorado.gov has been split between two servers. "Hurricane" is the older server, but most of Colorado.gov resides on the new infrastructure. The Web standards toolkit allows departments to have a template.

Discussion:

Chairman Cadman requested that a contact person from the agency be added to the project list.

ACTION ITEM: Add agency contact person to each of the projects.

Rich Olsen stated that initially CI went out to the agencies and took their initial project requests. The projects weren't on the report in any given order. Until active discussions are happening with departments, it's hard to put projects in any order. CI has been calling the departments that appeared on the initial list to see if they are ready. For example, the Unclaimed Property project is first because the staff is ready and willing to work with the portal. By nature, the queue is self-sorting because CI can't work with a department until the department is ready. Many of the projects on the initial list have been set back because the departments are not ready.

Tambor Williams asked if it would be possible to track discussions with the matrix so that the Board knows where the priority stands. She stated that there really isn't documentation as to how a decision was made. Tambor Williams added that the matrix is excellent, and it should be adhered to.

Rich Olsen stated that there is now a process to handle project requests, utilizing a form that shows the resources, the scope, etc. Therefore there is now enough information to prioritize the projects. He added that there is also a project queue on the Website. Rich Olsen stated that the Board has supreme authority to move projects around. CI went to the departments to let the departments prioritize so that CI had something to work from. If there were two projects both ready and of equal importance, Rich Olsen stated that he would assume the Board would step in and make a decision.

Senator May stated that according to the report, the Payment Engine/COFRS was due in March, and he asked if he had missed something. He added that he noticed that projects have slipped.

Rich Olsen stated that those dates are estimates. The estimated dates come from initial discussions with departments.

Services (Project Report) continued

Unclaimed Property Status

Rich Olsen explained that the Unclaimed Property Status is a very exciting project, which gets 69,000 inquiries each year. So far, 26,000 inquiries and 19,000 claims have been filed this year. They are unsure as to why it has escalated. If there is a citizen that wants to know if a piece of property might belong to him or her, there is a lot of paperwork. The new process will be automated. The current process takes two weeks, but the new process should take two days. Rich Olsen added that Treasury has been great to work with. They have put all their ducks in a row, and they have excellent documentation.

Discussion

John Picanso stated that from the presentation today (e-recording), it shows that data gathering is going on in several fronts. For example, John Thomas has spent a lot of time on e- recording. John Picanso went on to say that content management and the toolkit should have been delivered a long time ago, yet time is being spent on e- recording.

Rich Olsen stated that it was a great question, and he agreed that there are several fronts including technical, design, and project management. John Thomas is not involved in content management, so there is no conflict of timelines there. CI has hired a specific person to work on content management. CI is also working with FatWire, and they have started moving folks into templates. CMS and Payment Engine have taken most of the design and technical resources.

Michael Cooke added that the process of choosing a content management provider took a long time. The Business Committee took a long time to review the task order, and therefore the Board held up the process at the front end.

Rich Olsen stated that they are rolling out with the templates.

John Thomas stated that Brian Howell (the person working specifically on content management) knows the content management very well. John Thomas offered that if the Board wants to know all of what he is doing, CI could certainly share.

John Picanso stated that he thought the purpose of the content management tool was for ease of use, and therefore he thought it would be easy to get in quick.

John Thomas stated that the content management tool is easy to use, but it is difficult to configure.

Rich Olsen stated that he was pleased with the types of questions being asked, and he wants the Board to know that CI is working on all of these. He added that the only reason e-recording is in data-gathering is that they are working with the different groups, and they would like to establish some kind of date. Rich Olsen also stated, as an example, that backend systems and processes are Human Services is driving one of their projects in the queue. When CDHS is ready to go, CI will be ready to go as well.

John Picanso stated that those dynamics could cause the Human Services project to be moved back.

Gregg Rippy shared that he has already asked Rich Olsen where road-blocks exist. Gregg Rippy added that often times the state fails to deliver the project, but we don't want that to be the case here.

Rich Olsen stated that he didn't want to dwell on the negatives and red flags. He added that there is a lot of momentum, and if things are to be done right it will take time. For example infrastructure and security must be done right the first time. He gave an example that Secretary of State is building a backend system, and he pointed out that something like this couldn't be done in a month. The development queue will look different each month depending on where the departments are with their processes. By the time they get to the top of the queue, those backend systems and processes are ready to go.

Jack Arrowsmith suggested that perhaps a color other than yellow could indicate where the delay is coming from.

Rich Olsen suggested that maybe a description to say where the delay is would be helpful. He added that it's not the fault of department, it just happens. He added that in order to put real timelines on a project, you really have to understand the timeline.

Moving something down the queue is not necessarily a delay in the project. A status description could help to explain this.

John Thomas added that the Business Process Model in the Business Plan illustrates how the process works. After an implementation plan is complete, it is easier to know definite dates.

Rich Olsen stated that he wants to make sure the Board is clear with the queue, as it is the meat of what CI does.

c. Financial Report

Rich Olsen reported that portal revenues for the month of February were 467,768 dollars. The SIPA revenue share (37,500 + 2 percent) was 46,689 dollars. Net income for the month was 176,784 dollars. The revenues have been well above expectations so far.

All the revenues are coming from one source currently. The first application to carry a fee is a long way down the road, as the payment engine needs to be stable first.

d. Project Costs

Rich Olsen stated that while there is no charge to the state for the projects, it is good to see what the cost would be if there were a charge. Even if it doesn't cost the state, it still has a monetary value.

Discussion:

Gerald Marroney recommended that something else to look at and discuss is the staffing model, as it relates to the staffing model that we have. He suggested looking at whether or not CI has enough staff currently to do what needs to be done in terms of security, content management, etc. A critical piece to all of this is making sure that we have the right number of resources to be able to get the job done. Sometimes staffing is a problem for the state, and Gerald Marroney stated that he would like to take an honest look at CI to make sure staffing wouldn't be an issue. He stated that he would like to see if CI needed additional help and, if so, determine where it is needed.

Gregg Rippy agreed that Gerald Marroney made a very good point. He added that now that we are in about five months of the self-funded model, applications would be rolled out as resources allow. Now that revenues are flowing at a comfortable level, CI can have a handle on what staffing resources can be brought in.

Gerald Marroney continued that he just wanted to make sure that we are aware. He added that he wasn't trying to be demeaning, but even in the private sector, sometimes

people are not brought on quick enough. He stated that he had a real concern, and he wanted to make sure that we found the right balance.

Rich Olsen stated that it was a great suggestion. He added that CI has a staff of ten people now, most of which have less than two months on the job. They are getting ready to hire about three more staff, and they are relying heavily on a lot of subcontractor work. CI is getting the people in who are experts in the field.

Gerald Marroney suggested that perhaps somebody else should invest money up front to cover appropriate staffing.

John Picanso stated that he would support and agree with that suggestion just to see what the balance is.

Rich Olsen stated that he welcomed the extra eyes.

Gigi Dennis asked if any of the staffers were women.

Rich Olsen stated that there are women on staff.

Chairman Cadman asked if there were any other questions. He thanked everyone, and he stated that everything seemed to be heading in the right direction at the right speed.

VI. Additional Discussion

Chairman Cadman asked if there were any other discussions.

Gregg Rippy, newly appointed executive director, thanked Chairman Cadman. He stated that he had been gone a while, and he would like some direction from the Board. Gregg Rippy stated that he received a contract proposal from DPA for office space. The proposal would be for a larger office space at a lower cost than SIPA is currently paying. He added that he just received the preliminary pricing on the space design. Gregg Rippy stated that he is in the dark as to what direction this has gone, and he wasn't sure of the direction of the Board. The preliminary pricing is a little over 40,000 dollars for tenant finish. He stated that he is not sure where it is accounted for in the budget, but some tenant finish would be needed in the space.

Chairman Cadman stated that he had not seen anything. He asked how much space DPA was offering, what SIPA currently had, and what SIPA planned to do with the extra space.

Gregg Rippy stated that he too was only made aware of the issue yesterday. Richard Westfall, SIPA legal counsel, stated that he had a conversation with Jeff Wells (DPA executive director and SIPA board member), and he forwarded the draft lease to Mr. Wells. He stated that he proposed a few mark ups, which were passed to Don

Ravenscroft (the former SIPA executive director). Richard Westfall thinks that Jeff Wells is an excellent procurement officer, and he believes it is a very good deal.

Gigi Dennis asked a question of clarification. She wanted to make sure it was currently six dollars per square foot per month as opposed to 17 dollars per square foot per year at DPA.

Gregg Rippy stated that she was correct, and he added he thought it has always been the feeling of the Board for SIPA to get its own space.

Representative Cadman asked if there was conference space at DPA.

Gregg Rippy confirmed that there is a small conference room in the space as well as the ability to use DPA's large conference room.

Senator May suggested that perhaps we should look at other spaces that don't require tenant finish.

Chairman Cadman stated that he didn't believe a committee needed to review the space, but if the Board would like the chairman and the executive director to review the space, it might be a good idea.

Gregg Rippy added that timeline is that the current lease goes until the end of June, and DPA would not be available until the first of July.

Gerald Marroney suggested that the executive director should make the decision.

Senator May stated that he was not suggesting committee review; he was just suggesting consideration of other options.

Gregg Rippy stated that the price per square foot is very reasonable, and there are some other benefits too.

ACTION ITEM: Gregg Rippy to review proposed DPA space and possibly other alternatives.

Jack Arrowsmith thanked Chairman Cadman for the negotiations over the past month. Chairman Cadman stated that he had a great deal of help.

VII. Agenda Items for Next Meeting

None specific.

Next meeting is scheduled for:

Thursday, May 4, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building
200 E. 14th Ave.
Audit Hearing Room, 1st Floor
Denver, CO

VIII. Adjournment

The meeting adjourned at 3:42 p.m.